

Agency Activity Inventory
by Agency
Appropriation Period: FY 2008-09

Agency: F27 - Budget & Control Board - Auditor

Functional Group: Legislative,
Executive &
Administrative

271 Audit the State's Basic Financial Statements

The State's basic financial statements are prepared by the Comptroller General's staff. Section 11-7-20 (B) of the South Carolina Code of Laws, as amended, requires the State Auditor to audit the State's basic financial statements annually. The State's basic financial statements are very important to the financial community and the outcome of the audit can affect the State's bond rating. The State Auditor's Office conducts this audit jointly with a private accounting firm.

FY 2008-09						
Total	General Funds	Federal Funds	Health/Non- Recurring	CRF	Other Funds	FTEs
\$426,456	\$96,456	\$0	\$0	\$0	\$330,000	1.50

Expected Results:

The State's Comprehensive Annual Financial Report (CAFR), which includes the State's basic financial statements, has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting every year since 1988. To receive the Certificate of Achievement for Excellence in Financial Reporting the Comptroller General must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The report must be submitted within six months of fiscal year end. Expectations: The audit work complies with applicable standards of the American Institute of Certified Public Accountants (AICPA). The report is issued in sufficient time to enable the Comptroller General to meet the GFOA's submission deadline. The report is completed within the budget.

Outcome Measures:

The audit opinion of the State's basic financial statement was signed and released to the Comptroller General on November 15, 2007, one week earlier than the previous year. The audit was completed in accordance with auditing standards generally accepted in the United States. The engagement was budgeted for 4,000 hours and completed in 3,854 hours.

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272 Single Audit

Audit the State of South Carolina's Schedule of Expenditures of Federal Awards as mandated by the Single Audit Act Amendments of 1996, P.L. 104-156; Chapter 75 of Title 31, United States Code and Section 11-7-20 (C) and (D) of the South Carolina Code of Laws as amended.

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FY 2008-09

Total	General Funds	Federal Funds	Health/Non- Recurring	CRF	Other Funds	FTEs
\$601,554	\$601,554	\$0	\$0	\$0	\$0	9.30

Expected Results:

All audit work complies with applicable standards of the AICPA. The Single Audit Report is accepted, without revision or additional work, by the U.S. Department of Health and Human Services. The audit is completed within the budgeted audit hours. The Audit is issued by the Federal deadline of March 31.

Outcome Measures:

The engagement met the applicable standards of the AICPA. It was accepted without revision by the U. S. Dept of Health and Human Services. The audit was issued and submitted to the federal audit clearinghouse on March 7, 2008. The engagement was budgeted for 12,500 hours and completed 12,124 hours, 3% under budget.

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273 Medicaid Audits

Institutional providers of Medicaid services submit cost reports to the South Carolina Department of Health and Human Services (DHHS). These cost reports are used by DHHS to establish standards and reimbursement rates that are paid to Medicaid providers. DHHS contracts with the State Auditor to audit the cost reports. The contract with DHHS requires that State Auditor's Office conduct audits of all Medicaid providers once every four years. The Code of Federal Regulations, Title 42, Section 457.236 establishes audit requirements of the Medicaid program.

FY 2008-09

Total	General Funds	Federal Funds	Health/Non- Recurring	CRF	Other Funds	FTEs
\$1,218,083	\$1,218,083	\$0	\$0	\$0	\$0	18.90

Expected Results:

Audit reports are issued, subject to appeal, on 25% of the State's Medicaid providers each fiscal year. Engagements are completed on budget. Final reports are issued in compliance with applicable standards of the AICPA and with Federal Regulations related to audits of Medicaid providers.

Outcome Measures:

Sixty reports, representing 36 providers, were issued during fiscal year 2008. Approximately 24% of the Medicaid providers were subject to audit during the fiscal year. All engagements were completed at or under budget. All reports were issued in compliance with applicable standards of the AICPA and with Federal Regulations related to audits of Medicaid providers. Audits of Medicaid providers identified net receivables due to the State and Federal government of \$3,300,277.

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274 State Agency Audits

Financial audits serve as a deterrent to fiscal mismanagement, fraud, and misuse of State assets. Section 11-7-20 (A) of the South Carolina Code of Laws, as amended, requires the State Auditor to audit all State agencies annually, if practicable. The State Auditor's Office has oversight responsibility for ninety-two State agencies. These agencies were appropriated General Funds and Total Funds in excess of \$6.7 billion and \$20.8 billion, respectively.

FY 2008-09						
Total	General Funds	Federal Funds	Health/Non- Recurring	CRF	Other Funds	FTEs
\$1,374,147	\$1,374,147	\$0	\$0	\$0	\$0	21.30

Expected Results:

As funding permits, an audit of each State agency is conducted annually. The engagements are conducted in accordance with applicable AICPA standards. Engagements are completed within the budgeted hours for each audit.

Outcome Measures:

Ninety-four audit and agreed-upon procedures reports, representing 55 State agencies, were issued within 13 months of fiscal year end. Thirteen engagements are currently in progress. We anticipate completing fieldwork on all 2008 State agency audits within 15 months of fiscal year end. When all engagements are complete it is anticipated engagements will be completed within 98% of the budgeted audit hours.

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275 Court Audits

Section 72.75 of the 2007-08 Appropriations Act directs the State Auditor to examine the financial records of the general sessions, municipal and magistrate courts. The courts are to be selected randomly. The Appropriations Act provides the State Auditor's Office \$250,000 annually to conduct examinations of the courts.

FY 2008-09

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Total	General Funds	Federal Funds	Health/Non- Recurring	CRF	Other Funds	FTEs
\$250,000	\$0	\$0	\$0	\$0	\$250,000	0.00

Expected Results:

As funding permits, conduct audits of general sessions, municipal and county magistrate courts. The engagements are conducted in accordance with applicable AICPA standards.

Outcome Measures:

Twenty-six engagements started in fiscal years 2007 and 2008 were issued during fiscal year 2008. Twenty engagements were contracted in July 2008 and are expected to be issued by the end of the calendar year.

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276 Administration (Overhead Costs)

Administrative support for all audit functions and activities. Responsibilities include accounting, budgeting, personnel, procurement, benefits, IT/network administration, and other miscellaneous administrative functions.

FY 2008-09						
Total	General Funds	Federal Funds	Health/Non- Recurring	CRF	Other Funds	FTEs
\$384,429	\$384,429	\$0	\$0	\$0	\$0	5.00

Expected Results:

Audit staff productivity is optimized by effective and efficient administrative support. Independence as required by professional audit standards is maintained through an independent administrative function.

Outcome Measures:

Agency "independence" was maintained as required by professional audit standards. A financial audit of the Office of the State Auditor in FY 08 resulted in "no significant findings."

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9999 3% Mid-Year Reduction

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3% Mid-Year Reduction

FY 2008-09						
Total	General Funds	Federal Funds	Health/Non- Recurring	CRF	Other Funds	FTEs
(\$111,160)	(\$111,160)	\$0	\$0	\$0	\$0	0.00

Expected Results:

NA

Outcome Measures:

NA

AGENCY TOTALS

Budget & Control Board - Auditor

TOTAL AGENCY FUNDS	TOTAL GENERAL FUNDS	TOTAL FEDERAL FUNDS	TOTAL OTHER FUNDS
\$4,143,509	\$3,563,509	\$0	\$580,000
	TOTAL HEALTH/NON- RECURRING FUNDS	TOTAL CAPITAL RESERVE FUNDS	TOTAL FTEs
	\$0	\$0	56.00